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## The Need for U.S.-Saudi Cooperation to Win the War on Terrorism

### — Executive Summary —

The War on Terrorism is not over. The recent attacks in Riyadh, Saudi Arabia highlight the following facts: America remains a prime target for terrorist activities; the United States must remain vigilant in its pursuit of terrorist organizations; and, Saudi Arabia must do more to help America win the War on Terrorism. As the Bush Administration reassesses its diplomatic and military relations with Saudi Arabia, how the Saudi government responds to U.S. requests for greater assistance in its anti-terror campaign will be the deciding factor in the future of U.S.-Saudi relations.

Since September 11, 2001, it has become apparent that Saudi Arabia is a breeding ground for terrorists, religious intolerance, and anti-Americanism. Moreover, the Saudi Government's mixed record of cooperation with the United States during the past decade, both in law enforcement and intelligence sharing, has demonstrated Saudi Arabia to be an unreliable ally in tracking down terrorists.

Just as President Bush offered a "roadmap" to guide the parties involved in the Middle East peace process, a similar concept or "game plan" should be employed to guide U.S.-Saudi efforts to cooperate to win the War on Terrorism. The goal of this effort is to defeat terrorist elements both within Saudi Arabia and those supported abroad by Saudis. The game plan includes an action plan for both Saudi Arabia and the United States.

For Saudi Arabia, the United States should permit nothing less than a 100-percent commitment in addressing the terrorist insurgency that exists on Saudi soil. The key elements of a Saudi game plan must include four elements: Acknowledge, Cooperate, Examine, and Stop (ACES).

**Acknowledge:** The Saudi government must acknowledge that there exists a significant terrorist movement, including terrorist cells, on its soil. It must also admit that members of the Saudi royal family have actively supported terrorist groups and activities. And, the Saudi government must acknowledge that Wahhabi financing of mosques and schools – and the resulting teachings – have a direct correlation

to the existence of terrorist groups around the world. The United States will not win the War on Terrorism without help from Saudi Arabia in shutting down the radical Wahhabi influence all over the world.

**Cooperate:** The Saudi Government must immediately and fully cooperate with U.S. requests for law enforcement assistance and intelligence sharing, including allowing U.S. investigators access to individuals suspected of terrorist involvement. The Saudi government's current efforts in assisting with the U.S. investigation of the Riyadh attacks are an example of the type of cooperation that Saudi Arabia must consistently display. The Saudi government must also be willing to proactively apprehend and turn over to U.S. authorities individuals known to be involved with or who have carried out terrorist plots against the United States.

**Examine:** The Saudi government must make a commitment to combat terrorist financing by fully examining other areas of potential cooperation, based upon heretofore unacknowledged actions that support terrorism. This must include regulating charities under Saudi control, especially those with branches disbursing funds abroad. Crucial to this is an examination of the *hawala* system, or underground banking system, which permits money transfers without actual wire transfers, making it susceptible to abuse by terrorists. Registration, licensing and record-keeping would go far to discourage illicit *hawala* activities. And the Saudi efforts must be closely coordinated with U.S. and other international efforts.

**Stop:** Arguably the most crucial component of the ACES game plan is for the Saudi government to curtail all activities which foment terrorism, which reward "martyrdom," and which instill hatred towards the West and those branded as "infidels." Specifically, this includes cessation of funding of terrorists and terrorist activities, cessation of donations to questionable "charities," and the cessation of radical Wahhabi teachings, including adopting measures to stop clerics who go beyond words and actually incite terrorism by calling for a *fatwa*, or holy war, against the United States and the West. In addition, the Saudi government must cease its funding and practice of its prison *dawa*, or outreach program, which is a priority for the Saudi Arabian Government and many Muslim groups in the United States.

It is in the U.S. national interest to keep Saudi Arabia as an ally. However, should the Saudi government decide not to cooperate with the United States or if the United States determines that the Saudi government has not fully cooperated, the United States must be willing to take the appropriate political and economic measures to achieve the right result. U.S. actions in the absence of adequate cooperation could include listing Saudi Arabia as a state-sponsor of terrorism, withdrawing support for Saudi Arabia's current application to join the World Trade Organization, withdrawing the remainder of U.S. troops from Saudi Arabia, employing sanctions, and denial or suspension of arms sales and military training and assistance. Conversely, if Saudi Arabia does significantly modify its behavior and cooperate, the United States should be willing to reward the Saudi government through help in its WTO talks, creation of a Free Trade Agreement, and increased arms sales and training.

The United States is at war against terrorism. As President Bush has said, other governments need to decide whether they are with the United States in this struggle. There is no middle ground. The Saudi government can no longer be allowed to seemingly work with the United States, while simultaneously permitting activities that are directly connected to the existence of the terrorist threat.

## **Introduction**

The War on Terrorism is not over. The recent attacks in Riyadh, Saudi Arabia highlight the following facts: America remains a prime target for terrorist activities; the United States must remain vigilant in its pursuit of terrorist organizations; and Saudi Arabia must do more to help America win the War on Terrorism.

Since September 11, 2001, it has become apparent that Saudi Arabia is a breeding ground for terrorists, religious intolerance, and anti-Americanism. The War on Terrorism has revealed a few uncomfortable facts about the Saudi government's degree of support for terrorist organizations, including: 1) too little assistance has been rendered by the Saudi Government in confronting the terrorist challenge (although the kingdom's current efforts to assist the United States in investigating the May 12 Riyadh attacks, thus far, show a positive turn); 2) too many terrorists are Saudi nationals, including 15 of the 19 perpetrators of the September 11, 2001 attacks; and, 3) too much financial support for terrorists has come from Saudi officials and citizens. Moreover, the Saudi Government's mixed record of cooperation with the United States during the past decade, both in law enforcement and intelligence sharing, has demonstrated Saudi Arabia to be an unreliable ally in tracking down terrorists.

As President Bush stated in an address at the Coast Guard Academy on May 21, 2003, "America will not relent in the war against global terror. We will hunt the terrorists in every dark corner of the Earth. . . . We will deny the terrorists the sanctuary and bases they need to plan and strike." As the Bush Administration reassesses its diplomatic and military relations with Saudi Arabia, how the Saudi government responds to U.S. requests for greater assistance in its anti-terror campaign will be the deciding factor in the future of U.S.-Saudi relations.

### **The May 12, 2003 Riyadh Attacks**

On the night of May 12, 2003, and continuing into the morning hours of May 13, Saudi attackers in Riyadh shot their way into three housing compounds in what appear to be synchronized strikes, setting off multiple suicide car bombs. Thirty-four people were killed, including nine Americans.<sup>1</sup> The attacks occurred hours before Secretary of State Colin Powell was due to arrive in Saudi Arabia. In the hours following the attacks, President Bush and his senior Administration officials stated that the attacks likely were conducted by Al Qaeda, based on

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<sup>1</sup> Alfred B. Prados, CRS Issue Brief for Congress, "Saudi Arabia: Current Issues and U.S. Relations," May 16, 2003, p. 7.; updated mortality figure from Associated Press, June 1, 2003.

intelligence the U.S. government had received. This allegation subsequently has been confirmed by the Saudi government, which has arrested several suspected terrorists, including one Saudi officials believe to be the mastermind of the May 12 bombings.

Less than a week after the attack, on May 18, Saudi authorities announced that they apprehended and detained four Al Qaeda members suspected of assisting with the attacks, and that they had conducted a raid on May 6 of an Al Qaeda safe house and had seized weapons traced back to Saudi national guard stockpiles.<sup>2</sup> They identified three of the suicide bombers as being part of a group of 19 individuals involved in the safe house raid. The Saudi government also noted that the Saudi Interior and Defense Ministers may have been targeted in the attack, and that the Al Qaeda cell involved had sympathizers in the security apparatus and moles in the Saudi armed forces.<sup>3</sup>

The following day, Saudi authorities announced that they had apprehended three Al Qaeda operatives who were planning on hijacking a plane and crashing it into a building into downtown Jeddah, a city about 520 miles west of Riyadh.<sup>4</sup> Commenting on the realization that terrorists are operating within the country, Saudi Foreign Minister Saud al-Faisal stated, “I’ve never seen this country [Saudi Arabia] united against something more than they are united against these terrorists. They have seen the kind of purposeless hate and bloodshed that [terrorists] espouse, and everybody is against them.”<sup>5</sup> He further added, “I think the same unity which united the United States against terrorism on every level – public, government, and every level – now exists in this country.”<sup>6</sup>

The Riyadh attacks mark the third occurrence of likely Al Qaeda-backed terrorism on Saudi Arabian soil since 1995. Following the previous incidents – the 1995 attacks in Riyadh and the 1996 attacks at the Khobar Towers – the United States attempted to work together with Saudi Arabia in the investigations, with varying degrees of success (detailed below). Given the uneven record of Saudi Arabia’s anti-terror efforts over the past decade, the commitment behind the foreign minister’s recent statement remains to be seen.

## **A (Mixed) History of U.S.-Saudi Anti-Terrorism Cooperation**

The first recent significant demonstration of anti-terrorism cooperation between the United States and Saudi Arabia was in 1991 when the U.S. military and its allies were permitted to use Saudi bases in

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<sup>2</sup>Washington Post, “Al Qaeda Arms Traced to Saudi National Guard,” May 19, 2003.

<sup>3</sup>Washington Times, “Saudis Arrest 4 Al Qaeda Suspects,” May 19, 2003.

<sup>4</sup>Department of Homeland Security, press release, May 20, 2003, <http://www.dhs.gov/dhspublic/display?content=741>

<sup>5</sup>CNN, “Saudi Foreign Minister: ‘This Our 9/11,’” May 21, 2003.

<sup>6</sup>CNN.

the fight against Iraq. Following the war, the Saudi Kingdom continued to allow the United States and its allies to use Saudi bases to conduct Operation Southern Watch, the enforcement of the no-fly zone in Southern Iraq.

Cooperation continued when, on November 13, 1995, in Riyadh, Islamic fundamentalist terrorists attacked the headquarters of a U.S. military training program, killing seven U.S. citizens.<sup>7</sup> The Saudi government's cooperation extended to the efforts of both U.S. intelligence and law enforcement officials. Within a matter of months, the Saudi authorities charged four Saudi nationals, who were believed to have been influenced by Osama bin Laden, with the crime. They were convicted and executed.

However, cooperation between the United States and Saudi Arabia significantly changed in 1996 following the attacks on the Khobar Towers. On June 25, 1996, terrorists, again not directly linked to bin Laden but "influenced" by him, attacked a U.S. Air Force personnel housing facility near Dhahran Air Base, killing 19 servicemen. Throughout the early days and months of the investigation, there was considerable speculation as to whether the attackers were Iranians or Saudis. It was May of 1998 before Saudi Interior Minister Prince Nayif stated that the bombing was "carried out by Saudis without support of others."<sup>8</sup>

The pace did not quicken during the process of apprehending the suspected perpetrators: no one was arrested for three more years. On June 21, 2001, U.S. Attorney General John Ashcroft announced that a federal grand jury had indicted 14 individuals with connection to the Khobar Towers bombing, with 13 of the terrorists belonging to the pro-Iranian Saudi Hizballah organization. However, Saudi authorities refused to extradite the terrorists to the United States or to allow U.S. investigators access to them.<sup>9</sup>

### **After September 11, 2001**

Following Al Qaeda's September 11, 2001 attacks against the United States, Washington appealed to the world for assistance in defeating terrorism. Saudi Arabia responded by implementing U.N. Security Council Resolution 1373, which called for, among other things, the freezing of terrorist-related funds.<sup>10</sup> The Saudis claimed to be assisting in other ways as well, including interrogating extradited Al Qaeda members. However, despite compliments from the U.S. government for Saudi Arabia's "efforts," White House spokesman Ari Fleischer stated on November 26, 2002 that "Saudi

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<sup>7</sup>Prados.

<sup>8</sup>Prados.

<sup>9</sup>Prados.

<sup>10</sup>Prados.

Arabia is a good partner in the War on Terrorism, but good partners can do more.”<sup>11</sup>

During the prosecution of Operation Enduring Freedom, which began in October 2001, the Saudi Government barred the United States from launching airstrikes against Afghanistan from its Prince Sultan Air Base, and initially in the early days of the Afghanistan air campaign, blocked U.S. airplanes from entering Saudi airspace. The U.S. military was allowed to use the command post to direct the air war in Afghanistan, but only if the Department of Defense remained silent about its operations.<sup>12</sup>

### **Recent Reticence**

In the time period prior to the March 2003 U.S.-led campaign to liberate Iraq, Saudi Arabia again demonstrated its ambivalence in efforts to win the War on Terrorism when it repeatedly waffled on whether it would allow U.S. and allied forces to use its bases. On several occasions during the planning stages for the military action, Saudi Minister of Defense Prince Sultan declared his country would not permit allied aircraft to launch preemptive or major retaliatory campaigns against neighboring Iraq from bases in Saudi Arabia, and would not allow use of Saudi airspace for flights into or out of Iraqi airspace. The U.S. military could fly patrol missions over southern Iraq from Prince Sultan Air Base to enforce U.N. sanctions against Iraq and respond to tracking or firing by Iraq, but preplanned strikes on Iraqi targets were disallowed.<sup>13</sup>

Months later, when the recent Iraqi war was imminent, Saudi Arabia’s Foreign Minister denied that Riyadh would permit American forces to initiate or direct attacks against Iraq from its soil; meanwhile, independent media sources were reporting the arrival of additional U.S. forces (above the estimated 5,000 in Saudi Arabia before the outbreak of war with Iraq) which would permit the U.S. military to attack from the west as well as from the south in Kuwait. Officially, however, the Saudi government line remained that without a second U.N. resolution, Saudi Arabia did not support war against Iraq.<sup>14</sup> In the face of these problems, the U.S. military moved to upgrade airfields in Kuwait, Bahrain, the United Arab Emirates, and Oman to handle expanded air operations, and prepared an alternate command center at Al Udeid Air Base in Qatar.

In late February, the United States and Saudi Arabia reached agreement on some military operations. Weeks before the Iraqi assault began, media sources reported that the Saudi government had granted permission for the United States to fly refueling aircraft, AWACS surveillance planes, and JSTARS radar aircraft from Saudi air bases. Further, one unidentified source said combat aircraft would be permitted for bombing missions in Iraq after the first few

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<sup>11</sup>Prados.

<sup>12</sup>*The New York Times*, “U.S. Rethinks Its Role in Saudi Arabia,” March 10, 2002.

<sup>13</sup>Prados.

<sup>14</sup>*Washington Times*, “U.S. Troops, Aircraft Reported Massing in Saudi Arabia,” March 7, 2003.

days of fighting as long as no public announcement was made.<sup>15</sup> It was also reported that the Saudis quietly agreed to most U.S. requests for military and logistical support, including the staging of special operations forces.<sup>16</sup>

While cooperation did improve as the war became imminent, this must be juxtaposed with the Saudis' vigorous diplomatic and public opposition to the U.S. war plans, including their demand that the war be stopped just after the United States had begun combat operations in Iraq. Just after U.S. troops commenced fighting in Iraq, Saudi Arabia's foreign minister, Prince Saud al Faisal, urged the United States to stop the war, offering safe passage for Saddam Hussein and his family to a third country. Prince Saud condemned the invasion's aim of destroying the Iraqi government and labeled it as "outside of the framework of international legality."<sup>17</sup>

On March 26, Saudi Arabia sent proposals to both the United States and the United Nations to end the war, urging that the conflict be returned to the United Nations.<sup>18</sup> This position echoed that of the French and German governments, both of which were roundly criticized for their lack of support for the U.S. position on Iraq within the U.N.

### **Rumsfeld Announcement of Withdrawal of U.S. Forces from Saudi Arabia**

On April 29, U.S. Defense Secretary Donald Rumsfeld announced that with the completion of the large-scale military operations in Iraq and the end of the need to maintain Operation Southern Watch for no-fly-zone enforcement in Southern Iraq, the United States would be withdrawing the majority of its permanent troops from Saudi soil.<sup>19</sup> He did not tie the withdrawal of U.S. troops from Saudi Arabia to political considerations or dissatisfaction with the Saudi government, but stated it was part of an overall U.S. military basing realignment. The U.S. military would continue to work with the Saudi military in exercises and training, he said.

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<sup>15</sup>Alfred B. Prados, "CRS Issue Brief for Congress, Saudi Arabia: Current Issues and U.S. Relations," May 16, 2003, p. 5.

<sup>16</sup>Vernon Loeb, "U.S. Military Will Leave Saudi Arabia This Year," *Washington Post*, April 30, 2003, p. A01.

<sup>17</sup>*The New York Times*, "A Nation at War: Arab Criticism; Saudi Arabian Foreign Minister Urges U.S. to Pause from Invasion," March 23, 2003.

<sup>18</sup>*The New York Times*, "A Nation at War: Arab World; Saudis Send Proposals to End War to Both Sides," March 26, 2003. See also, <http://www.saudinf.com/main/y5565.htm>.

<sup>19</sup>See Defense Secretary Rumsfeld's remarks at 4/29/03 town hall meeting at Prince Sultan Air Base in Saudi Arabia, <http://www.defenselink.mil/transcripts/2003/tr20030429-secdef0136.html>

The recent Riyadh attacks did not change that decision. On May 15, in a department news briefing, Secretary Rumsfeld repeated his earlier comments that with the termination of Operation Southern Watch, the United States would withdraw its forces from Saudi Arabia, except for the Office of Military Affairs.<sup>20</sup>

The withdrawal of U.S. troops from Saudi Arabia reduces a burden on the United States for basing and maintaining a considerable troop presence in a country that, at times, has been lukewarm toward the presence of the U.S. on its soil. Also, it provides the Saudi government with the ability to proclaim to its citizens that the U.S. military is no longer present within Saudi Arabia, thus eliminating a factor which long has incited terrorist groups, particularly bin Laden's Al Qaeda. It was following the Gulf War that Osama bin Laden, the Al Qaeda mastermind who was born in Riyadh to a very wealthy family, began to protest the presence of U.S. troops, or "infidels," on Saudi soil that is home to Muslim shrines, the holy places of Mecca and Medina, and the birthplace of the prophet Muhammed.

Bin Laden fled his native country in 1991 in order to organize his Al Qaeda movement, and in 1994, the Saudis revoked his citizenship and froze his assets in the Kingdom.<sup>21</sup> Bin Laden continued to promote the expulsion of U.S. forces from Saudi Arabia as a key objective, saying in 1996: "There is no more important duty than pushing the American enemy out of the holy land (of Arabia)."<sup>22</sup>

## **The Saudi Connection with Terrorism**

Beyond the strained military relationship and the uncertain security for Americans in Saudi Arabia, there are other serious questions about the level of Saudi cooperation with the U.S.-led fight against global terrorism, particularly from a funding, education, and recruitment perspective.

The Saudis claim they are taking steps to combat terrorist financing by freezing bank accounts, implementing Security Council resolutions related to terrorist financing, working with the United States and other countries to block over \$70 million in terrorist assets, and requiring charities outside Saudi Arabia to report their activities to the Foreign Ministry. However, as numerous research institutions, journalists, and government agencies have found, the Saudi government has been quite reluctant – at a minimum – to seriously address the degree and extent of its involvement with terrorist activities, both domestically and abroad.

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<sup>20</sup>See remarks by Defense Secretary Donald Rumsfeld at May 15, 2003 Department of Defense News Briefing, <http://www.defenselink.mil/transcripts/2003/tr20030515-secdef0185.html>

<sup>21</sup>*PBS Online, Frontline*, "Hunting bin Laden: Who is bin Laden?" [www.pbs.org/wgbh/pages/frontline/shows/binladen/etc/cron.html](http://www.pbs.org/wgbh/pages/frontline/shows/binladen/etc/cron.html), 2001

<sup>22</sup>*The Washington Post*, "Saudis May Seek U.S. Exit; Military Presence Seen as Political Liability in Arab World," January 18, 2002.



Of great concern are the findings of a task force commissioned by the Council on Foreign Relations (CFR), a leading U.S. foreign policy think tank, which asserts in a report published in October 2002 that individuals and charities in Saudi Arabia have been the most important source of funds for Al Qaeda for some years.”<sup>23</sup> The CFR task force conceded that steps to regulate charities and funds which help terrorists could mean significant political risk to regimes like Saudi Arabia. Yet it also noted that by not moving quickly to combat terrorist infrastructure financing, the terrorists and their supporters are gaining strength and influence within regimes like Saudi Arabia, which could set the stage for the eventual demise of these governments.

### **Saudi Charities Linked to Terrorists**

In addition to the CFR report, many news sources since September 11 have examined Saudi financing of terrorist activity, including funding of Al Qaeda. The U.S. Government’s Operation Green Quest, an interagency task force headed by the U.S. Customs Service, has investigated many of these alleged terrorist-financing entities. According to a U.S. expert on the Saudi Kingdom’s terrorist connections, Alex Alexier, the vast majority of the nearly 50 Islamic organizations that Green Quest has raided, shut down, or frozen the assets of since September 11 have been controlled, funded, or both, by the Saudi Government.<sup>24</sup>

Among the charitable entities that Operation Green Quest raided was the Herndon, Virginia offices of Jamal Barzinji, a trustee and officer of the Amana Mutual Funds Trust, and a representative of the World Assembly of Muslim Youth (WAMY). According to Stephen Schwartz in his book, *The Two Faces of Islam*, this group is an arm of the Saudi Government.<sup>25</sup> WAMY’s Annandale, Virginia office listed its president in 2002 as Abdula bin Laden, Osama’s younger brother.

Another board member of the Amana group, Samir Salah, heads a firm linked to SAAR (another Saudi-funded entity, which is discussed in more detail below), and directs a Falls Church, Virginia mosque known for hardline Wahhabi preaching. Salah is involved with a Virginia charity which has a branch in Bosnia being investigated by Sarajevo officials.<sup>26</sup> (The offices of the Saudi High Commission for Aid to Bosnia, established by a Saudi prince, were found to contain photos of the World Trade Center and other terrorist targets and equipment to forge State Department security badges when NATO officials raided its headquarters in September, 2001.)<sup>27</sup>

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<sup>23</sup>Council on Foreign Relations’ Independent Task Force, “*Terrorist Financing*,” October 2002.

<sup>24</sup>Alex Alexier, “End of an Alliance: It’s Time to Tell the House of Saud Goodbye,” *National Review*, October 28, 2002.

<sup>25</sup>Schwartz, Stephen, *The Two Faces of Islam*, Doubleday, 2002.

<sup>26</sup>Schwartz.

<sup>27</sup>*Washington Times*, “Visas to the U.S. Aren’t a Bad Idea, So Why Do the Saudis Oppose Them?” December 13, 2002.

WAMY's Barzinji served on the boards of two religious institutions – the International Institute of Islamic Thought and the Graduate School of Islamic and Social Sciences (GSISS) – both under federal suspicion for financing extremist Muslims.<sup>28</sup> (GSISS is credentialed by the U.S. Defense Department to certify Muslim chaplains for the U.S. armed forces,<sup>29</sup> but has a history of Saudi funding and was one of the many Muslim organizations raided as part of Operation Green Quest.<sup>30</sup>) GSISS is believed to be associated with the now defunct World and Islam Studies Enterprise run by Sami Al-Arian, and identified as a front for the Muslim terrorist organization, Palestinian Islamic Jihad. Earlier this year, Al-Arian was indicted for allegedly raising money for terrorist activity.<sup>31</sup>

The SAAR Foundation in northern Virginia is a top priority for Operation Green Quest. The U.S. government sees it as a key link in what may be a Saudi-sponsored network of terrorist financing. SAAR, which received \$1.7 billion in donations in 1998, was created by a man whose family ranks among the richest of Saudi families.<sup>32</sup> SAAR is suspected of laundering money for Al Qaeda, Hamas and the Palestinian Islamic Jihad, and its wealthy Saudi patron has been identified as among the original 20 Al Qaeda financiers.<sup>33</sup> SAAR is alleged to have transferred millions to two overseas bankers designated by the U.S. Government as terrorist financiers,<sup>34</sup> and it is connected to another entity, Al-Taqwa, which was shut down after September 11, its assets frozen by U.S. Presidential order. SAAR is also linked to a former lead financial advisor to the Saudi royal family and ex-head of the National Commercial Bank of Saudi Arabia, Khalid bin Mahfouz. Mahfouz is known by French intelligence as a backer of Osama bin Laden; he endowed the Muwafaq Foundation, which U.S. officials confirm is part of bin Laden's terror network.<sup>35</sup>

Another organization of concern is the Saudi-based Al Haramain Islamic Foundation, the Saudis' largest Islamist front organization, controlled directly by the Saudi minister of religious affairs and in charge of spending large amounts of money to promote a radical Islamist agenda worldwide. It has

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<sup>28</sup>Schwartz, p. 249.

<sup>29</sup>Schwartz.

<sup>30</sup>Joel Mowbray, "The House that raised Akbar," *National Review*, April 3, 2003.

<sup>31</sup>*Insight Magazine*, "Enemy Within May Complicate War," April 1, 2003.

<sup>32</sup>According to the *Washington Post*, SAAR is named for Sulaiman Abdul Aziz Rajhi, the patriarch of the Saudi family that funded it; the operation gives to charities, invests in companies and sponsors research, all with a goal of fostering the growth of Islam.

<sup>33</sup>Matthew Epstein, "Wanting to Stay Sealed," *National Review Online*, March 19, 2003.

<sup>34</sup>*Washington Post*, "U.S. Trails Va. Muslim Money, Ties," October 7, 2002.

<sup>35</sup>Stephen Schwartz, *The Two Faces of Islam*, 2002, Doubleday, p. 248-249.

offices in over 50 countries and operates through Saudi embassies in another 40.<sup>36</sup> The Treasury Department identifies Al-Haramain as an organization with which U.S. citizens are prohibited from making any transactions because of suspected support for terrorism,<sup>37</sup> and on March 11, Treasury officials announced that the United States and Saudi Arabia jointly had blocked the funds of the Bosnia and Somalia offices of the Foundation because they were found to be diverting funds to terrorists.

The *Washington Times* reported in November that Saudi-backed humanitarian organizations, such as the Mercy International Relief Organization, have been named as front groups for terrorist operations, including that which resulted in the 1998 bombings of two US. Embassies in Africa. The article details other links: Saudi citizens and charities helped fund Islamic fighters in Afghanistan and militant Islamic schools in Pakistan; the al-Wafa Humanitarian Organization, another major Saudi charity, has been linked to bin Laden's organization; and the CIA is circulating to banks worldwide a list of 12 prominent Saudi businessmen accused of continuing to funnel millions of dollars to bin Laden.<sup>38</sup>

### **Wahhabism and the Saudi Education System**

For more than two centuries, Wahhabism has been Saudi Arabia's official and sole sanctioned religion. Wahhabism is considered a "purist" form of Islam because it insists on a literal interpretation of the Koran, the religion's sacred text.<sup>39</sup> The Saudi interpretation of Islam, and the actions of Saudi clergy, reflect the teaching of Mohammed ibn Abd al-Wahhab, a fundamentalist reformer who reshaped the worship and social practices of Sunni Muslim society in the 1700s, and Wahhab's descendents – the Al Shayyk – continue to have great influence in the clergy.<sup>40</sup> They also play a key role in shaping the policies of the Saudi government's education and justice ministries, as well as most of the country's legal policies.<sup>41</sup> Pointing to extremists such as Osama bin Laden and the Taliban, critics say that Wahhabism's rigidity has led some followers to misinterpret and distort Islam.<sup>42</sup>

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<sup>36</sup>Alex Alexier, "The End of an Alliance: It's Time to Tell the House of Saud Goodbye," *National Review*, October 28, 2002; and Stephen Schwartz, *The Two Faces of Islam*, Doubleday, 2002, p. 186 and 189.

<sup>37</sup>Jerusalem Center for Public Affairs, "Washington Misled: Saudi Arabia's Financial Backing of Terrorism," May 6, 2002, [www.jcpa.org/ant/briefl-23.htm](http://www.jcpa.org/ant/briefl-23.htm).

<sup>38</sup>*Washington Times*, "Terrorism Link Weighs on U.S.-Saudi Relationship," November 26, 2002.

<sup>39</sup> See PBS Frontline special, "Saudi Time Bomb?" <http://www.pbs.org/wgbh/pages/frontline/shows/saudi/analyses/wahhabism.html>

<sup>40</sup>Anthony Cordesman, "Saudi Arabia and Islamic Extremism," Center for Strategic and International Studies, October 28, 2002, p. 4.

<sup>41</sup>Cordesman. Also, for more detailed information on Saudi Arabia's relation with Wahhabism, see the newly released book, *Hatred's Kingdom: How Saudi Arabia Supports the New Global Terrorism*, by former Israeli Ambassador to the United Nations Dore Gold.

<sup>42</sup>See PBS Frontline special, "Saudi Time Bomb?" <http://www.pbs.org/wgbh/pages/frontline/shows/saudi/analyses/wahhabism.html>

Wahhabism's explosive growth began in the 1970s when Saudi charities started funding Wahhabi schools (*madrassas*) and mosques.<sup>43</sup> U.S. diplomats and Saudi experts say the House of Saud has for decades either tolerated or encouraged extremists within the religious hierarchy in schools, and on national television and radio. Extremists exhibit open bigotry towards non-Muslims, contempt for non-Sunni Muslims, and virulent anti-Americanism. The religious establishment was given control of schools as long as it did not question the monarchy's legitimacy. This understanding, experts claim, led to the call to *jihad* in the fight against the Soviet occupation of Afghanistan, and later, encouragement to Saudi youth to fight alongside Muslim brethren in Bosnia and Chechnya.<sup>44</sup> As one example of what is permitted, in Abha, Saudi Arabia, the Islamic Law department at King Khalid University permits militant Islamic clerics to deliver sermons preaching anti-Americanism and *fatwas*, which declare holy war against infidels.

A recent study by the American Jewish Committee and the Center for Monitoring the Impact of Peace analyzed 93 Saudi textbooks for grades 1-10, primarily from 1999-2002, all but one of which was published by the Saudi Arabian Ministry of Education, to determine the values they contain.<sup>45</sup> The study found that the textbooks, even grammar books, are replete with phrases exalting war, *jihad*, and martyrdom. Christians and Jews are denounced as infidels, and presented as enemies of Islam and of Muslims. One textbook, called "Monotheism," which public high school students memorize portions of, contains anti-Christian and anti-Jewish bigotry and violent interpretations of the Koran. That textbook has a passage under the title, "Judgement Day," which reads, "The Hour will not come until Muslims will fight the Jews, and Muslims will kill all the Jews."<sup>46</sup> The textbooks are a standardized part of the national curriculum.

In its recently-released 2003 annual report, the U.S. Commission on International Religious Freedom called on the U.S. government to "urge the Saudi government (a) to exclude from all textbooks any language or images that promote enmity, intolerance, hatred, or violence toward any group of persons based on faith, gender, ethnicity, or nationality; and (b) to include in all school curricula, in school textbooks, and in teacher training the concepts of tolerance and respect for human rights, including religious freedom."<sup>47</sup>

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<sup>43</sup>PBS Frontline special, "Saudi Time Bomb?"

<sup>44</sup>*The Boston Globe*, "Driving a Wedge/Bin Laden, the U.S. and Saudi Arabia, Saudi Schools Fuel Anti-U.S. Anger, System is Fertile Ground for Militancy, Some Say," March 4, 2002.

<sup>45</sup>American Jewish Committee.

<sup>46</sup>*The Boston Globe*, "Driving a Wedge/Bin Laden, the U.S. and Saudi Arabia, Saudi Schools Fuel Anti-U.S. Anger, System is Fertile Ground for Militancy, Some Say," March 4, 2002.

<sup>47</sup>U.S. Commission on International Religious Freedom, "Annual Report of the U.S. Commission on International Religious Freedom, May 2003.

The Commission called on the Bush Administration to “undertake a study to determine whether the Saudis are directly or indirectly funding efforts to propagate globally, including in the United States, a religious ideology that explicitly promotes hate, intolerance, and other human rights violations, and in some cases violence, toward members of other religious groups, both Muslim and non-Muslim.”<sup>48</sup> The Commission proposed that Congress should authorize and fund such a study, and that the findings of this study should be reported to Congress within six months after funds are appropriated.

The other two recommendations of the Commission included having the U.S. government “request the Saudi government provide an accounting of what kinds of Saudi support go to which religious schools, mosques, centers of learning, and other religious organizations globally,” and provide a list of such places being funded in the United States.<sup>49</sup> “In its bilateral engagement with Saudi Arabia, the U.S. government should urge the Saudi government to cease any funding of efforts to propagate outside of Saudi Arabia any religious ideology that explicitly promotes hate, intolerance, and other human rights violations, including violence.”<sup>50</sup>

Yet, such efforts to promote Wahhabist religious teachings worldwide have been strong. The Saudi Government English weekly, *Ain-al-Yaqeen*, boasted in March 2002 that the royal family and the Saudi Kingdom have spent billions of dollars “to spread Islam to every corner of the earth.” Worldwide, the weekly noted, this effort resulted in 210 Islamic centers, more than 1,500 mosques and 202 colleges and 2,000 schools for educating Muslim children in Europe, North and South America, Australia and Asia.<sup>51</sup> From 1973 through 2002, the Saudi Kingdom’s spending to promote Wahhabism abroad was estimated by Reza F. Safa, the author of *Inside Islam*, at \$87 billion.<sup>52</sup> Saudi data show that it has spent at least \$50 billion during the same time period to fund strictly “Islamic activities.”<sup>53</sup>

### **The Martyrs’ Fund**

The Saudi Kingdom pledged \$400 million in 2001 for the support of so-called “martyrs’ families” for suicide Palestinian bombers, according to the Saudi Embassy website. At \$5,300 per “martyr,” that

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<sup>48</sup>U.S. Commission on International Religious Freedom..

<sup>49</sup>U.S. Commission on International Religious Freedom.

<sup>50</sup>U.S. Commission on International Religious Freedom.

<sup>51</sup>Rachel Ehrenfeld, “*Funding Evil, How Terrorism is Funded and How we can Stop It*,” Bonus Books, 2003.

<sup>52</sup>Ehrenfeld.

<sup>53</sup>Alex Alexier, “The End of an Alliance: It’s Time to Tell the House of Saud Goodbye,” *National Review*, October 28, 2002.

donation equates to approximately 75,000 suicide bombers.<sup>54</sup> (Rates have varied,

with the Saudi-based International Islamic Relief Organization, subsequently compromised by its affiliation with Al Qaeda, recommending a subsidy of \$1,000 to the family of each martyr, and a March 2001 fund of \$33.7 million for martyrs, at the rate of \$5,333 per family.<sup>55</sup>

Legislation was introduced in the Senate last year with bipartisan support, calling on the Saudis to dissolve their martyrs' fund, and citing a press release on the Embassy's web site which acknowledged that financial aid was disbursed to families of 358 martyrs, 8,000 wounded, and another 102 who received treatment in the Kingdom. Also mentioned in the legislation was another press release on the Embassy's web site which acknowledged support to 1,000 families of Palestinian martyrs and those who suffered injuries in the cause.<sup>56</sup> The resolution characterized martyrs' funding as an act to "entice and recruit individuals to undertake suicide bombings and other terrorist acts, and reinforces such violence as a legitimate method to air and to forward political grievances."<sup>57</sup>

According to a *National Review* commentary, four members of The Islamic Institute of North America (IANA) were arrested and indicted at the end of February, accused of funneling money illegally to Iraq. IANA, according to this account, receives half its funding from the Saudi Government and the other half from mostly private Saudi donors. The organization has become a "glorified al Qaeda recruitment center," with websites containing several *fatwas* legitimizing suicide bombings, terrorist attacks, and hatred towards the West.<sup>58</sup>

Of deep concern is the prison *dawa* or outreach program, a priority for the Saudi Arabian Government and many Muslim groups in the United States. The Islamic Affairs Department of the Saudi Embassy ships hundreds of copies of the Koran monthly for distribution to inmates, and the Saudis pay for prison chaplains to travel for the *hajj*, the traditional winter pilgrimage to Mecca. Muslim inmates nationwide make up 10-17 percent of the U.S. prison population, according to estimates by corrections officials and Muslim organizations. A Wahhabist cleric, who said the September 11 hijackers should be honored as martyrs, warned that Muslim anger is quietly building behind bars and on the outside, and that

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<sup>54</sup>Stephen Schwartz, "Wahhabis in the Old Dominion...What the Federal Raids in Northern Virginia Uncovered," *The Weekly Standard*, April 8, 2002.

<sup>55</sup>Stephen Schwartz, *The Two Faces of Islam*, Doubleday, 2002, p. 220-221.

<sup>56</sup>Senate Resolution 258, 107<sup>th</sup> Congress, 2<sup>nd</sup> session, introduced May 1, 2002.

<sup>57</sup>Senate Resolution 258.

<sup>58</sup>Rita Kata and Josh Devon, "Terror Tools, Saudi-Funded Front in Michigan," *National Review*, March 11, 2003.

“prisons are a powder keg. . . . The question is the ignition.”<sup>59</sup>

## **Where Do We Go From Here? A U.S.-Saudi Game Plan**

Just as President Bush offered a “roadmap” to guide parties in bringing about peace in the Middle East, a similar concept or “game plan” should be employed to guide U.S.-Saudi efforts to cooperate in the effort to win the War on Terrorism. The goal of this effort is to defeat terrorist elements both within Saudi Arabia and those supported abroad by Saudis. The game plan puts the burden of action not only on the United States, but also on Saudi Arabia, the party that can most directly affect the situation in the region. The game plan includes three elements: recognition of influencing factors; an action plan for Saudi Arabia; and an action plan for the United States.

### **Recognition of Influencing Factors**

In developing, implementing, and executing a game plan, it is important for both parties to recognize the existence of numerous factors that may influence U.S.-Saudi relations, as well as the Saudi government’s conduct in the War on Terrorism.

First, with the liberation of Iraq and the increase in available oil resources, the U.S. economy is less dependent on Saudi Arabia for its oil. Thus, the fundamental premise on which bilateral relations were based has changed. While the Saudi government sometimes has been helpful to the United States in its oil policy in the past, it must now realize that its leverage over the United States is greatly reduced.

Second, the Riyadh attacks have focused the Saudi government’s attention on the urgency to address terrorist activities that are directed, not against U.S. forces in Saudi Arabia, but against the Saudi government itself. Arguably, the May 12 attacks were directed just as much against the Saudi royal family as they were against the U.S. government. It appears there is recognition within the Saudi government and among some segments of Saudi society that they can no longer ignore the terrorist activities taking place within their own borders, as may be evidenced by the Saudi Foreign Minister’s recent comments suggesting an increase in unity to fight terrorism [which are quoted in the Introduction section of this paper].

Third, as a result of the U.S. military action against Saddam Hussein’s regime, the overall geopolitical environment and dynamics in the Middle East region are changing significantly. The coalition presence in Iraq will encourage the adoption of democratic values and practices in Iraq, and this may well have positive spillover effect on non-democratic regimes in the region such as that of Saudi Arabia. This same new geopolitical situation also places new pressure on neighboring nations such as Syria to end

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<sup>59</sup>Wall Street Journal, “Captive Audience: How a Chaplain Spread Extremism to an Inmate Flock,” February 5, 2003.

their support of terrorist activities. Iraq itself is no longer a base of support for terrorism. Such developments may encourage the Saudis as well to take a tough new approach to terrorism.

Moreover, the elimination of the Hussein regime has provided Saudi Arabia with greatly enhanced freedom to undertake a more active role in partnering with the United States to promote progress in a settlement of the Arab-Israeli conflict. With the end of Saddam's ability to radicalize the Arab-Israeli conflict, especially by means of his financial assistance to terrorists and to the Syrian regime, the Saudis have a unique opportunity to use their influence and resources to

encourage financially-strapped Syria and the Palestinian Authority to take aggressive measures to curb terrorist organizations such as Hizballah and the terrorist attacks against Israel, which are the principal obstacles to progress on a resolution of the conflict.

However, the appearance of anti-Western and anti-regime media outlets such as al-Jazeera, that have become freely available to Saudi citizens and others through satellite receivers, the Internet, and other uncensored methods, will complicate the Saudi government's efforts to combat Wahhabi-influenced terrorism. Moreover, the presence of these outlets may help to undermine the Saudi government's legitimacy and also increase demands for a more representative government that is responsive to the population. The combination of these and other factors may lead to fractures in the ruling house as various factions maneuver to position themselves to take advantage of the situation. The combination of these possibilities could lead to significant disorder in the Kingdom and potentially to a greater reliance on the United States to help shore up its stability.

### **Saudi Arabia's Role**

The existence of these new realities have raised the bar for Saudi anti-terrorism cooperation. Nothing less than a 100-percent commitment by the Saudi government in addressing the terrorist insurgency that exists on its soil should be permitted by the United States. The key elements of the game plan for Saudi Arabia must include the following four elements: Acknowledge, Cooperate, Examine, and Stop (ACES).

**Acknowledge:** The Saudi government must acknowledge that there exists a significant terrorist movement, including terrorist cells, on its soil. It must also admit that members of the Saudi royal family have actively supported terrorist groups and activities. And, the Saudi government must acknowledge that Wahhabi financing of mosques and schools – and the resulting teachings – have a direct correlation to the existence of terrorist groups around the world. The United States will not win the War on Terrorism without help from Saudi Arabia in shutting down the radical Wahhabi influence all over the world.

**Cooperate:** The Saudi Government must immediately and fully cooperate with U.S. requests for law enforcement assistance and intelligence sharing, including allowing U.S. investigators access to individuals suspected of terrorist involvement. The Saudi government's current efforts in assisting with the U.S. investigation of the Riyadh attacks are an example of the type of cooperation that Saudi Arabia



must consistently display. The Saudi government must also be willing to proactively apprehend and turn over to U.S. authorities individuals known to be involved with or who have carried out terrorist plots against the United States.

**Examine:** The Saudi government must make a commitment to combat terrorist financing by fully examining other areas of potential cooperation, based upon heretofore unacknowledged actions that support terrorism. This must include regulating charities under Saudi control, especially those with branches disbursing funds abroad. Crucial to this is an examination of the *hawala* system, or underground banking system, which permits money transfers without actual

wire transfers, making it susceptible to abuse by terrorists. Registration, licensing and record-keeping would go far to discourage illicit *hawala* activities. And the Saudi efforts must be closely coordinated with U.S. and other international efforts.

**Stop:** Arguably the most crucial component of the ACES game plan is for the Saudi government to curtail all activities which foment terrorism, which reward “martyrdom,” and which instill hatred towards the West and those they have branded as “infidels.” Specifically, this includes cessation of funding of terrorists and terrorist activities, cessation of donations to questionable “charities,” and the cessation of radical Wahhabi teachings, including adopting measures to stop clerics who go beyond words and actually incite terrorism by calling for a *fatwa*, or holy war, against the United States and the West. In addition, the Saudi government must cease its funding and practice of its prison *dawa*, or outreach program, a priority for the Saudi Arabian Government and many Muslim groups in the United States.

### **America’s Approach Toward Saudi Arabia**

It is in the U.S. national interest to keep Saudi Arabia as an ally. For its part, the United States should offer to help the Saudi government in whatever way it can to help defeat terrorism in Saudi Arabia. The United States should recognize the constraints on the Saudi government in acting too expeditiously to root out terrorism. However, smaller measures by the Saudis, such as increased intelligence sharing and law enforcement assistance, as is currently evident in the investigation of the recent Riyadh attacks, can and should be undertaken with little political cost to the Saudi government. Moreover, it should be made clear that the burden of rooting out and destroying terrorists and their activities within Saudi Arabia rests primarily with the Saudi government. Inducements for cooperation, such as foreign aid and the presence of U.S. military troops, are not necessary.

However, should the Saudi government decide not to cooperate with the United States or if the United States determines that the Saudi government has not fully cooperated, the United States must be willing to take the appropriate political and economic measures to achieve the right result. U.S. actions in the absence of adequate cooperation could include listing Saudi Arabia as a state-sponsor of terrorism, withdrawing support for Saudi Arabia’s current application to join the World Trade Organization, withdrawing the remainder of U.S. troops from Saudi Arabia, employing sanctions, and denial or

suspension of arms sales and military training and assistance. Conversely, if Saudi Arabia does significantly modify its behavior and cooperate, the U.S. should be willing to reward the Saudi government with help in its WTO talks, creation of a Free Trade Agreement, and increased arms sales and training.

## **Conclusion**

The United States is at war against terrorism. As President Bush has said, other governments need to decide whether they are with the United States in this struggle. There is no middle ground. The Saudi government can no longer be allowed to seemingly work with the United States, while simultaneously permitting activities that are directly connected to the existence of the terrorist threat.

The United States should state clearly – and the Saudi government must recognize – that the Saudi government must significantly and demonstratively increase its efforts to eradicate terrorist activities taking place on its soil – activities that are being encouraged and supported by members of the Saudi royal family. Only the House of Saud has the legitimacy within Saudi Arabia to undertake such action. It is in the Saudi government's self-interest to do so. For if it does not, the future of U.S.-Saudi relations – and perhaps most relevant to the House of Saud, the future of Saudi royal family rule in Saudi Arabia – will be in question.

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